

NEW MEXICO
CLEAN WATER STATE REVOLVING FUND
INTENDED USE PLAN
STATE FISCAL YEAR 2020

June 30, 2019

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I. FUND ESTABLISHMENT-INSTRUMENTALITY OF THE STATE, Clean Water Act Sec. 603 (a) & (b)

Through enactment of the Wastewater Facility Construction Loan Act (Loan Act), Chapter 74, Article 6A, NMSA 1978, as amended, the New Mexico Legislature created a revolving loan fund (Fund). The purpose of the Loan Act “is to provide local authorities in New Mexico with low-cost financial assistance in the construction of necessary wastewater facilities through the creation of a self-sustaining program to improve and protect water quality and public health” §74-6A-2 NMSA (1978).

The Fund is administered by the New Mexico Environment Department (NMED) as agent for the Water Quality Control Commission (WQCC). State money is appropriated to NMED to carry out the provisions of the Loan Act and is used to match Federal funds allocated to New Mexico pursuant to the Federal Water Pollution Control Act, also known as the Clean Water Act (CWA). Federal capitalization grants, loan principal and interest repayments as well as interest earnings on the Fund balance are deposited into the Fund. Administrative fee and refinance fee revenues are deposited into a separate dedicated Clean Water Administrative Fund.

The WQCC, which is New Mexico’s water pollution control agency, has adopted regulations, application procedures, and a project priority ranking system pursuant to the Loan Act, which is used by NMED in administering the loan program. The New Mexico Water Quality Act §74-6-4 NMSA (1978) identifies the duties and powers of the WQCC as related to loans and grants. The provision states:

“The Commission:

- A. may accept and supervise the administration of loans and grants from the federal government and from other sources, public or private, which loans and grants shall not be expended for other than the purposes for which provided;”

II. FUND GOALS, Clean Water Act Sec. 606(c)(2)

A. Long-term Goals for State Fiscal Year 2020:

1. Provide local authorities, state agencies, interstate agencies and other qualified borrowers in New Mexico with low-cost financial assistance for the construction of wastewater facilities or other eligible water quality projects by maintaining a self-sustaining Clean Water State Revolving Fund (CWSRF) (See Table 2, Project Priority List).
2. Maintain the CWSRF into perpetuity by including repayment and investment interest to the fund (See Table 1, Cash Flow Projections; Table 3, Projected Disbursements from Cap Grants and SFR Capitalization Grant Outlays; Table 4, Projected Loan Repayments; Figure 1, Sources and Uses in Section XI below.)
3. Maintain the fiscal integrity of the CWSRF.
4. Make funding available to potential borrowers who meet the criteria of one of the twelve CWSRF eligibilities found in Section 603(c) of the CWA as amended and as it applies to New Mexico.

5. Encourage green projects by providing funding opportunities for eligible projects that support energy efficiency, water efficiency, green infrastructure and innovation.
6. Provide available subsidy to eligible entities.
7. Utilize the opportunities afforded by recent legislative changes to fully maximize funding opportunities.

B. Short-term Goals for State Fiscal Year 2020:

1. Complete the annual audit, intended use plan and annual report in a timely manner. CWA Sec. 606(b)(c)(d).
2. Identify recipients from the SFY 2020 project priority list (PPL) to receive funding, including additional subsidization, from the Federal Fiscal Year (FFY) 2019 Allotment. Draw-down and complete the FFY 2019 Allotment of \$7,779,000.
3. Execute binding commitments equal to 120% of the FFY 2019 capitalization grant within one year after receipt of that grant award. NMED considers a Binding Commitment to be executed when the loan documents are signed by both parties.

Projected Borrowers	Projected Funding Amount
Sands Development LLC	750,000
City of Truth or Consequences	\$473,000
City of Farmington	\$1,500,000
Homewise Inc.	\$500,000
City of Roswell	\$5,500,000
Quemado Mutual Water and Sewage Works Association	\$3,000,000
Brewer Oil Company	\$1,200,000
Mahmood's Enterprises LLC	\$150,000
Mayflower Enterprises	\$35,000
City of Tucumcari	\$5,500,000
Albuquerque Bernalillo County Water Authority	\$5,600,000

City of Bloomfield	\$11,000,000
Village of Ft. Sumner	\$2,300,000
Town of Elida	\$4,500,000
City of Eunice	\$7,500,000
SSCAFCA Vendada Channel	\$4,000,000
SSCAFCA Lateral Erosion Envelope	\$1,000,000
Potential Commitments from 2020 Priority List	\$53,008,000
Binding Commitments Goal- 120% of Grant	9,334,800

4. Identify green projects for the SFY 2020 equal to no less than 10% of awarded FFY 2019 grant.
5. Apply for the current FFY's allotment in the first year that it is appropriated.
6. Execute loan repayment agreements for: Village of Cuba, City of Farmington, City of Santa Rosa, City of Gallup, City of Grants, Town of Peralta.
7. Complete the environmental benefits in the Clean Water Benefits Reporting System (CBR) by the end of the quarter in which a loan agreement is signed.
8. Work to meet or exceed the national average of financial indicators that are reported and compiled in the National Information Management System (NIMS): federal return on investment; executed loans as a percentage of funds available; percentage of funds disbursed to executed loans; retained earnings excluding subsidy; change in Net Position.
9. Complete rulemaking process necessary to implement statutory changes.
10. Revise Priority List Ranking system to better address expanded eligibilities and borrowers.

III. CRITERIA AND METHOD ESTABLISHED FOR DISTRIBUTION OF FUNDS, Clean Water Act Sec. 606(c)(5)

Pursuant to the Loan Act, the WQCC adopted regulations describing eligibility requirements for financial assistance, application procedures, priority ranking system and administration of the loan program and Fund. The current priority ranking system was approved by EPA and adopted by the WQCC on January 24, 2014. The CWSRF and NMED staff evaluate and rank eligible projects. (See Table 2, Project Priority List).

All §319 activities implement the state's §319 Nonpoint Source Management Plan. The state utilizes this plan when determining eligibility. The CWSRF staff and NMED staff evaluate and rank projects that will mitigate non-point source (§319) impacts.

During the 2018 Legislative Session, the State Legislature passed a bill allowing expanded project and borrower eligibilities. These changes allow the Construction Programs Bureau (CPB) to consider more projects and borrowers in alignment with the CWA. The bill became law May 16, 2018. NMED CPB appeared before the WQCC on August 14, 2018 to finalized Administrative Rule 20.7.5 that implemented the new law.

Public notice of the Project Priority List (PPL) process is provided through publication in independent newspapers statewide, by email to the CWSRF distribution list, and on the NMED website. NMED accepted public comments regarding the SFY 2020 PPL from May 19 through June 2, 2019.

Projects must be on the current New Mexico state fiscal year PPL to be eligible for funding. It is the policy of NMED to make loans in order of priority considering the following:

1. willingness to accept a loan;
2. financial capability of the community to service the loan;
3. the ability of the community to operate and maintain the proposed project; and
4. readiness to proceed.

Communities that do not meet the above criteria may be by-passed and will need to re-apply. Communities that can demonstrate that they are actively working to meet the criteria may stay on the list and do not need to re-apply. Applicants are encouraged to discuss projects and financials with the NMED CPB team members prior to application. The NMED CPB team will provide guidance regarding eligibility, project readiness and financial readiness.

Application to the CWSRF: The applicant must fill out a CWSRF Application for each project. Applications may be submitted to the CPB electronically, by e-mail, fax, mail, or in person. Applicants must apply annually.

Method of Cash Draw: The method of cash draw for all capitalization grants is to expend 100% of the required state match first and then expend the federal funds. Once the grant is fully drawn repayment from EPA will be requested.

Additional Subsidization: NMED, under the New Mexico Administrative Code 20.7.5.14.H (3), has the authority to award a combination of loan and grant to rural communities in years when grant funding is available. Rural communities are defined by CPB as communities with less than 20,000 people or counties with less than 200,000 people. NMED's goal is to provide the maximum amount of subsidy allowed by each capitalization grant. The factors used to determine additional subsidization are defined in the CWSRF Affordability Criteria System. NMED developed affordability criteria to determine additional subsidization per the Water Resources Reform and

Development Act (WRRDA). The Affordability Criteria looks at user rates as a percentage of per capita income, population trends, and unemployment levels. All rural communities receiving a score of 50 points or higher are eligible to receive additional subsidy. The CWSRF Affordability Criteria System can be viewed at <https://www.env.nm.gov/cpb/CWSRFPage.htm> The impact of subsidization on the future of the fund is evaluated annually.

Green Project Reserve (GPR): Potentially green projects will count toward the initial FFY 2019 GPR Allotment. NMED has identified and noted potential Green Project Reserve (GPR) projects on the Project Priority List along with the GPR category. Actual project expenditures are used to account for final green amounts spent as projects are completed.

CWSRF-DWSRF Fund Transfers: The State of New Mexico reserves the authority to transfer up to 33 percent of the CWSRF Capitalization Grant to the DWSRF, or an equivalent from the DWSRF to the CWSRF. New Mexico does not anticipate utilizing this authority in SFY 2020.

IV. ELIGIBLE PROJECTS TO BE FUNDED, Clean Water Act Sec. 606(c)(1)

Table 2, Project Priority List contains a list of all projects eligible for assistance pursuant to the CWA.

In accordance with §35.3555 CFR Intended Use Plan:

New Mexico CWSRF reserves to the right to provide for the funding of projects which require immediate attention to protect public health on an emergency basis as declared by the Cabinet Secretary of the New Mexico Environment Department or by the Office of the Governor. Since emergencies will not typically correspond to the CWSRF application cycle, the following procedure will be followed:

For emergency projects that are not included on the PPL, NMED CPB will accept out of cycle applications, rank and score the projects and evaluate available funding. If funding is available and the funding is accepted, NMED CPB will amend the Intended Use Plan (IUP) and PPL and provide public notice of the change(s) as well as the justification. NMED CPB will notify EPA Region 6 of the events. The project(s) will be subject to all applicable CWSRF requirements. NMED CPB will seek to expedite the funding and public notice process as necessary.

Underserved/Disadvantaged Communities:

NMED defines underserved/disadvantaged communities as those that qualify for less than the base interest rate, currently 2.375%. This is defined in Subsection H 1-4 of 20.7.5.14 New Mexico Administrative Code (NMAC).

V. SUPPORTED ACTIVITIES, Clean Water Act Sec. 606 (c) (3)

Table 2, Project Priority List contains information on activities to be supported, including a description of the project, discharge permit information, and communities or borrower served.

VI. FINANCIAL DATA, Clean Water Act Sec. 603 (d) (1) (a)

Pursuant to the Loan Act a loan shall be made for a period not to exceed thirty (30) years. The 30-year term cannot exceed the useful life of the project; documentation from the borrower must be provided to demonstrate the useful life of the project.

The NMED CPB interest rate, including the administrative fee portion (see Section VIII), cannot exceed the market loan interest rate. The CWSRF interest rates are governed by Subsections F. through I. of 20.7.5.14 NMAC. In 2017, the WQCC approved the NMED request to lower the interest rates from a base interest rate of 3% to a base interest rate of 2.375%; from a 2% hardship rate to 1.2%; from a 1% hardship rate to 0.6%. In the 2018 Spring Legislative Session, a bill was passed to allow an interest rate of 0% when the per capita income (PCI) is less than three-quarters of the statewide PCI and the average user wastewater rate cost is greater than 1.82% of the PCI. The legislation passed and became law on May 16, 2018. NMED CPB appeared before the WQCC on August 14, 2018 to finalized Administrative Rule 20.7.5 that implemented the new law.

Loans are set up to be repaid in annual installments. Borrowers may prepay the loan or any portion of the loan at any time. No penalty is charged for prepayment of loan principal. NMED prepares repayment schedules for the borrower. The first annual installment is due no later than one (1) year after completion of the project.

Cash flow modeling allows the CWSRF to continue to effectively execute loans for environmentally important construction projects needed in New Mexico. As discussed in Section II A. 2 and shown in the attached Cash Flow Projection, the State maintains the long-term health of the Fund by adding the repayment interest and investment interest to the revolving fund.

VII. STATE MATCH

The State of New Mexico has proposed, and EPA Region 6 has accepted, that NMED will expend all the required CWSRF state match funds prior to using the federal funds. Once the total required state match for each CWSRF Capitalization Grant has been expended, the State will draw down the Federal funds for each respective CWSRF capitalization grant. This drawing arrangement is for the convenience of the state and does not alter any other provision that would have otherwise been applicable if Federal funds had been drawn proportionately with State funds.

During the 2019 Legislative Session held January 15, 2019 through March 16, 2019 the New Mexico Legislature appropriated \$1,500,000 from the Public Projects Revolving Fund (PPRF) for state match funds for the FFY 2019 Allotment. To meet the 20% requirement of \$1,555,800 future match from previous years will be utilized (See Table 5, Federal Awards and State Match). The 2019 federal capitalization grant application for \$7,779,000 was submitted on June 5, 2019.

VIII. PROGRAM ADMINISTRATION

Reasonable costs for administering the loan program are paid out of the loan fund in conformance with 40 CFR Part 35.3120, the CWA and 74-6A-4, NMSA 1978, as amended, including WRRDA amendments. In SFY 2017, NMED chose to use 1/5th percent of the current valuation of the CWSRF fund for the costs of administering the fund. As of June 30, 2018, the audited current valuation (Total Net Position) of the CWSRF (fund 12100) was \$319,125,722, allowing for \$638,251 to be used for administration of the program in SFY20. NMED has no remaining amounts for administrative costs from open capitalization grants.

Pursuant to Subsection C (1) and (2) of 20.7.5.14 NMAC the NMED CPB may assess an administrative fee not to exceed five percent of the total loan amount. The fee is variable, dependent upon the term and interest rate of the loan and is earned annually on the principal amount. The fee will be applied to loans executed in SFY 2020. The administrative fee is included in the interest rate charged to borrowers and does not add to the financial burden of the borrowers. This administrative fee is deposited into the Clean Water Administrative Fund (32700) which is budgeted and tracked separately from the loan Fund (12100). The fee serves to perpetuate the administration of the revolving loan fund with no fiscal impact on the State’s general fund or any material impact on the financial strength of the fund itself. In SFY 2020, Fund 32700 the following activity is projected:

Fund 32700 SFY 2020 Activity	Amount
Balance beginning of SFY 2020 as of July 1, 2019	\$2,824,897
Estimated investment interest from the State Treasurer’s Office to be earned in SFY 2020	\$81,208
Loan Administrative Fees anticipated to be collected in SFY 2020	\$346,908
Program operating expenses budgeted from Fund 32700 in SFY 2020	(\$381,000)
Projected Balance end of SFY 2020	\$2,872,013

The expenses budgeted for use in SFY 2020 from the Clean Water Administrative Fund will be used for eligible expenses and will be tracked for EPA’s review and verification.

IX. ASSURANCE AND SPECIFIC PROPOSALS

Environmental Reviews: The State certifies that it will conduct environmental reviews of each project receiving assistance from the Fund in accordance with 40 CFR 35.3140. Environmental review procedures have been adopted following criteria established by the EPA. The State Environmental Review Process was revised and approved by EPA Region 6 on August 15, 2016.

Binding Commitments: Sec. 602 (b) (3). The State certifies that it will enter binding commitments equal to 120% of each grant awarded within one year. NMED considers a Binding Commitment to be executed when the loan documents are signed by both parties.

Timely Expenditures: Sec. 602 (b) (4). The State certifies that it intends to expend all funds in an expeditious and timely manner.

Davis-Bacon Wage Rates: As of June 10, 2014, Section 602(b)(6) of the CWA was amended to include the application of Davis Bacon wage rates to all treatment works projects funded in whole or in part by the CWSRF. Davis-Bacon applies to construction contracts over \$2,000 and their subcontractors (regardless of the subcontract amount).

To ensure compliance with these requirements, NMED will continue to confirm that the correct wage determinations are being included in the bid specifications and construction contracts. NMED will also continue to aid assistance recipients with the specific EPA Davis-Bacon contract language that is to be included in bid specifications and/or contracts. In addition, NMED will continue to ensure compliance through project inspections and Certifications.

Generally Accepted Accounting Principles: As of June 10, 2014, Section 602(b)(9) of the CWA was amended requiring States to have sub-recipients maintain project accounts per Generally Accepted Accounting Principles (GAAP) as issued by the Governmental Accounting Standards Board (GASB). This provision requires assistance recipients to use standards relating to the reporting of infrastructure assets. NMED CPB includes this information in the Loan Agreements and reviews compliance annually during Single Audit reviews.

Cost and Effectiveness: Section 602(b) (13) of the CWA (amended effective June 10, 2014) requires that assistance recipients for CWSRF applications submitted on or after October 1, 2015 must certify that they:

- (A) have studied and evaluated the cost and effectiveness of the processes, materials, techniques, and technologies for carrying out the proposed project or activity for which assistance is sought under this title; and
- (B) have selected, to the maximum extent practicable, a project or activity that maximizes the potential for efficient water use, reuse, recapture, and conservation, and energy conservation, considering:
 - (i) the cost of constructing the project or activity;
 - (ii) the cost of operating and maintaining the project or activity over the life of the project or activity; and
 - (iii) the cost of replacing the project or activity.

The State of New Mexico utilizes the USDA RUS Bulletin 1780-2 as the required format for a Preliminary Engineering Reports (PER). A PER is the vehicle for determining a project's "cost and effectiveness." This Bulletin includes in the alternatives section, sustainability considerations including water and energy efficiency, and the cost effectiveness of the selected alternative. The

cost of operating and maintaining the project over the life of the project is included in the cost analysis of the PER. The NMED CPB technical staff review and approve the PER as part of the project review. The technical staff utilize a checklist when reviewing the PER to ensure that all the required elements are included in the report. The reports are required to be signed and sealed by a licensed professional engineer.

For projects that do not require a PER, the funding recipient will be required to provide a certification signed by a professional engineer stating that a cost and effectiveness analysis has been completed.

Architectural and Engineering Contracts Procurement: NMED CPB will satisfy Section 602(b) (14) of the CWA as amended by WRRDA by compliance with federal procurement 40 U.S.C. 1101 *et seq.*

Financial Sustainability Plan: As of June 10, 2014, the CWA was amended to include Section 603(d) (1) (E) which states that a recipient of a loan for a project that involves the repair, replacement, or expansion of a publicly owned treatment works is required to develop and implement a fiscal sustainability plan (FSP) or certify that it has developed and implemented such a plan.

The statute requires that FSPs include, at a minimum:

- an inventory of critical assets that are a part of the treatment works;
- an evaluation of the condition and performance of inventoried assets or asset groupings;
- a certification that the recipient has evaluated and has or will be implementing water and energy conservation efforts as part of the plan; and
- a plan for maintaining, repairing, and as necessary, replacing the treatment works and a plan for funding such activities.

This requirement applied to all loans for which the borrower applied on or after October 1, 2014. NMED CPB has incorporated the FSP requirement in the Interim Loan Agreement and will ensure that:

- recipients that self-certify will provide certification that an FSP has been developed and is being implemented; certification will be due at the time of loan closing.
- recipients that are developing an FSP must submit certification to NMED before the final disbursement is approved.
- the borrowers meet the minimum requirements listed above.

Procurement Assurances: The State certifies that it shall comply with regulations contained in the Uniform Administrative Requirements, Cost Principals and Audit Requirements, 2 CFR Parts 200 and 1500 and the Davis Bacon Act requirements.

The State has negotiated a “fair share” objective for the following goals:

	<u>MBE (%)</u>	<u>WBE (%)</u>
Construction	34.39	11.02
Equipment	18.87	15.40
Services	33.88	21.72
Supplies	19.46	21.15

These goals were negotiated by NMED with EPA in SFY 2019 and will be in effect through FFY 2022.

Assistance for the Non-Federal Share: Sec. 603 (h). The State certifies it will not provide loans from the Fund to a borrower for the non-federal share of a project receiving construction grant assistance from the EPA unless allowed by Federal law.

The state utilizes the class deviation from the provisions of 40 CFR 35.3125. This class deviation will allow the non-Federal; non-State match CWSRF Second Tier Funds to be used to provide loans that can be used as the match for all EPA Grant Funded treatment works projects, except construction grant projects authorized by section 201 of the CWA. The State proposes to use its fiscal year of July 1 through June 30 as the accounting period for the Fund.

American Iron and Steel (AIS) Requirements: Section 608 of the CWA, as amended by WRRDA, requires the use of American iron and steel products in projects for the construction, alteration, maintenance, or repair of a public water system or treatment works. The Borrower shall comply with all applicable provisions of Section 608 of the CWA and related SRF Policy Guidelines found at <https://www.epa.gov/cwsrf/state-revolving-fund-american-iron-and-steel-ais-requirement> which includes the requirement that all the iron and steel products used in the Project are to be produced in the United States unless:

- (a) the Borrower has requested and obtained a waiver from EPA pertaining to the Project; or
- (b) NMED has otherwise advised the Borrower in writing that the AIS Requirement is not applicable to the Project.

The Borrower shall comply with all AIS record keeping and reporting requirements under the CWA, including any reports required by a Federal agency or NMED such as performance indicators of program deliverables, information on costs and project progress. The Borrower understands that:

- (a) each contract and subcontract related to the Project is subject to audit by appropriate federal and state entities; and
- (b) failure to comply with the CWA may be a default and/or result in other remedial actions.

NMED will continue to ensure that AIS Requirements are met for all projects.

Enhancing Public Awareness: NMED supports the EPA initiative of enhancing public awareness of the CWSRF program and has implemented this requirement in the Interim Loan Agreement. The Borrower must inform NMED as to the type of public awareness utilized for a project and provide documentation of such action.

X. AUDITS AND REPORTING

The NMED CPB is committed to transparency and accountability. Program information, Intended Use Plans, Annual Reports, and other program materials are posted on the NMED CPB website: <https://www.env.nm.gov/cpb/CWSRFPage.htm>. An independent audit is conducted by an independent Certified Public Accounting firm annually. Project milestones and information are reported through EPA's Clean Water Benefits Reporting (CBR) database and the National Information Management System (NIMS). The NMCWSRF commits to entering benefits information on all projects into CBR by the end of the quarter in which the assistance agreements are signed.

Federal Funding Accountability and Transparency Act (FFATA) Reporting Requirement: NMED CPB files a FFATA sub-award report by the end of the month following the month in which a loan agreement greater than \$25,000 is signed. NMED CPB does not apply equivalency for federal cross cutters, single audit, or architectural and engineering procurement. Therefore, the first signed loan agreements that total the amount of the allotment will be reported in the FFATA sub award reporting system.

XI. PLAN FOR THE USE OF CWSRF FUND 12100

As demonstrated with the available resources in Figure 1 and in the Cash Flow projections in Table 1, NMED CPB has a growing cash balance. It is the goal of NMED to fully utilize available resources. To achieve this goal NMED lowered interest rates two years ago, and last year broadened project and borrower eligibility. NMED utilized an electronic application for the FY20 application cycle to facilitate ease of use and currently uses a cloud-based communication platform to more easily reach potential borrowers. NMED will continue these efforts and pursue other means in the effort to fully utilize and deploy the resources available through the CWSRF.

To ensure the timely and expeditious use of funds NMED evaluates applications and offers loans commensurate with readiness to proceed indicators. During the Priority List scoring, NMED considers several factors that provide a reasonable measurement of how close an eligible applicant may be to starting the project. Projects that are not ready to proceed may be offered planning and design loans. These applicants are then encouraged to re-apply the following year for project construction funding.

Figure 1	
Sources and Uses SFY 2020	
Beginning Cash Balance SFY20	\$155,634,831
Projected Sources during SFY 2020:	
FFY 2019 Allotment/2019 CG	\$7,779,000
FFY 2019 Allotment State Match ¹	\$1,500,000
2020 Repayment Principal (See Table 4)	\$8,735,488
2020 Repayment Interest (See Table 4)	\$1,351,296
2020 Overnight Interest State Treasurer report ²	\$1,349,348
Total Sources	\$176,349,963
Projected Uses	
Projected Admin Expense ³	\$541,528
Projected Disbursements for SFY 2020 (See Table 3)	\$20,025,145
Total Projected Uses	\$20,566,673
Available Resources	\$155,783,290 ⁴
<p>¹ See text on page 7 (VII. State Match) and Table 5</p> <p>² Overnight Interest is based on 5-year average of Actuals from State Treasurer.</p> <p>³ Estimated administrative expenses in FY20 will be paid from CWSRF Fund 12100's Fund balance.</p> <p>⁴ The available resources will be used to maintain the CWSRF into perpetuity by adding repayment and investment interest to provide qualified borrowers in NM with low-cost financial assistance.</p>	

NMED respectfully submits this Intended Use Plan. If readers are viewing this report from the website, the SFY 2019 PPL is also available from the CPB's website: <https://www.env.nm.gov/cpb/cpbtop.html>

Table 1
NM CWSRF Cash Flow Projection

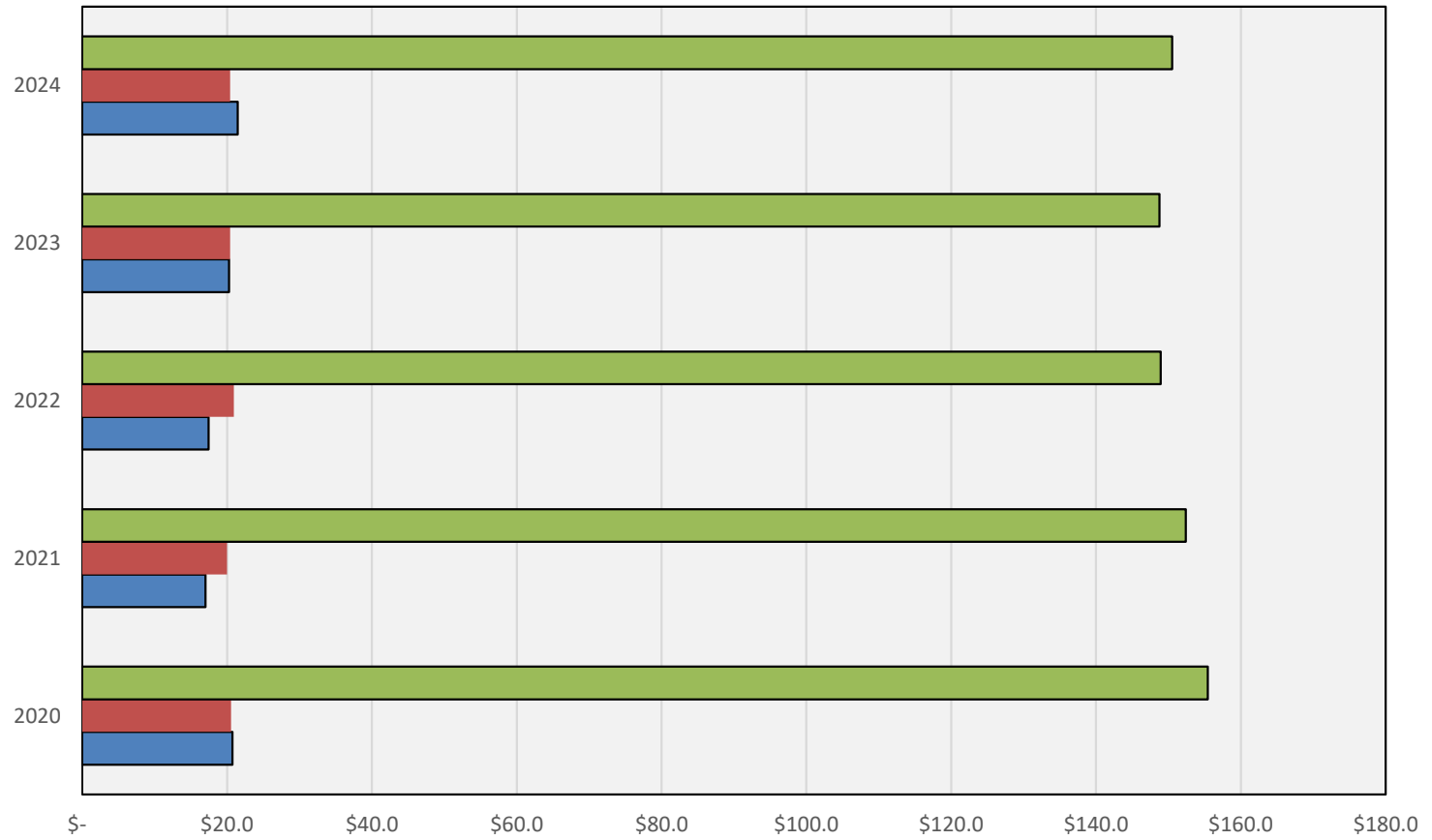
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025 - 2029	2030 - 2034	2035 - 2039	2040 - 2044
Beginning Cash Balance	\$ 100,911,588.93	\$ 113,682,948.46	\$ 121,967,719.46	\$ 127,105,952.46	\$ 147,355,690.43	\$ 147,523,941.65	\$ 155,283,516.25	\$ 155,431,975.57	\$ 152,419,622.68	\$ 148,911,369.13	\$ 148,759,022.43	\$ 150,522,953.42	\$ 238,005,883.96	\$ 327,916,777.15	\$ 431,838,653.96
Cash Sources															
Capitalization Grant	7,059,634	11,369,396	4,676,510	6,525,000	6,474,000	7,859,000	7,779,000	0	0	0	0	0	0	0	0
State Match		1,300,000	1,300,000	1,400,000	2,400,000 ¹	1,100,000	1,500,000	0	0	0	0	0	0	0	0
Loan Repmts (P&I only)	13,057,808	16,831,336	11,686,402	35,231,451	13,990,577	11,057,558	10,086,784	13,725,322	13,745,261	13,773,147	13,481,404	62,566,000	38,109,238	25,553,500	2,734,961
Loans in Construction								1,686,113	1,837,173	3,089,673	3,289,667	15,343,742	15,153,020	14,758,397	7,545,714
Projected Binding Commitments								1,318,743	2,457,398	1,318,743	2,457,398	28,079,236	55,012,431	81,961,776	84,971,427
Overnight Interest on Investment	77,117	99,450	291,877	798,175	1,272,545	4,317,295	1,349,348	1,601,210	1,871,200	2,085,805	2,244,972	1,830,507	1,926,739	1,591,644	2,016,973
Total Sources of Cash	20,194,560	29,600,182	17,954,789	43,954,626	24,137,122	24,333,853	20,715,132	17,012,645	17,453,634	20,267,368	21,473,442	107,819,487	110,201,427	124,265,518	97,268,075
Cash Uses															
Loan & Grant Disbursements	7,065,430	21,315,411	12,816,556	23,226,564	23,441,038	16,009,065	20,025,145	19,477,609	20,429,830	19,876,911	19,163,712	19,794,641	19,748,541	19,802,727	19,637,385
Admin Expenses (Fund 12100)	357,770	0	0	478,324	527,833	565,214	541,528	547,389	532,058	542,804	545,799	541,916	541,993	540,914	542,685
Total Uses	7,423,200	21,315,411	12,816,556	23,704,888	23,968,871	16,574,279	20,566,673	20,024,998	20,961,888	20,419,715	19,709,511	20,336,557	20,290,534	20,343,641	20,180,070
Cumulative Cash Balance	113,682,948	121,967,719	127,105,952	147,355,690	147,523,942	155,283,516 ²	155,431,976	152,419,623	148,911,369	148,759,022	150,522,953	238,005,884	327,916,777	431,838,654	508,826,658

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025 - 2029	2030 - 2034	2035 - 2039	2040 - 2044
Annual Sources of Cash	\$ 20.2	\$ 29.6	\$ 18.0	\$ 44.0	\$ 24.1	\$ 24.3	\$ 20.7	\$ 17.0	\$ 17.5	\$ 20.3	\$ 21.5	\$ 107.8	\$ 110.2	\$ 124.3	\$ 97.3
Annual Uses of Cash	\$ 7.4	\$ 21.3	\$ 12.8	\$ 23.7	\$ 24.0	\$ 16.6	\$ 20.6	\$ 20.0	\$ 21.0	\$ 20.4	\$ 20.4	\$ 20.3	\$ 20.3	\$ 20.3	\$ 20.2
Ending Annual Cash Bal	\$ 113.7	\$ 122.0	\$ 127.1	\$ 147.4	\$ 147.5	\$ 155.3	\$ 155.4	\$ 152.4	\$ 148.9	\$ 148.8	\$ 150.5	\$ 238.0	\$ 327.9	\$ 431.8	\$ 508.9

¹ Includes FY19 match and unearned revenue

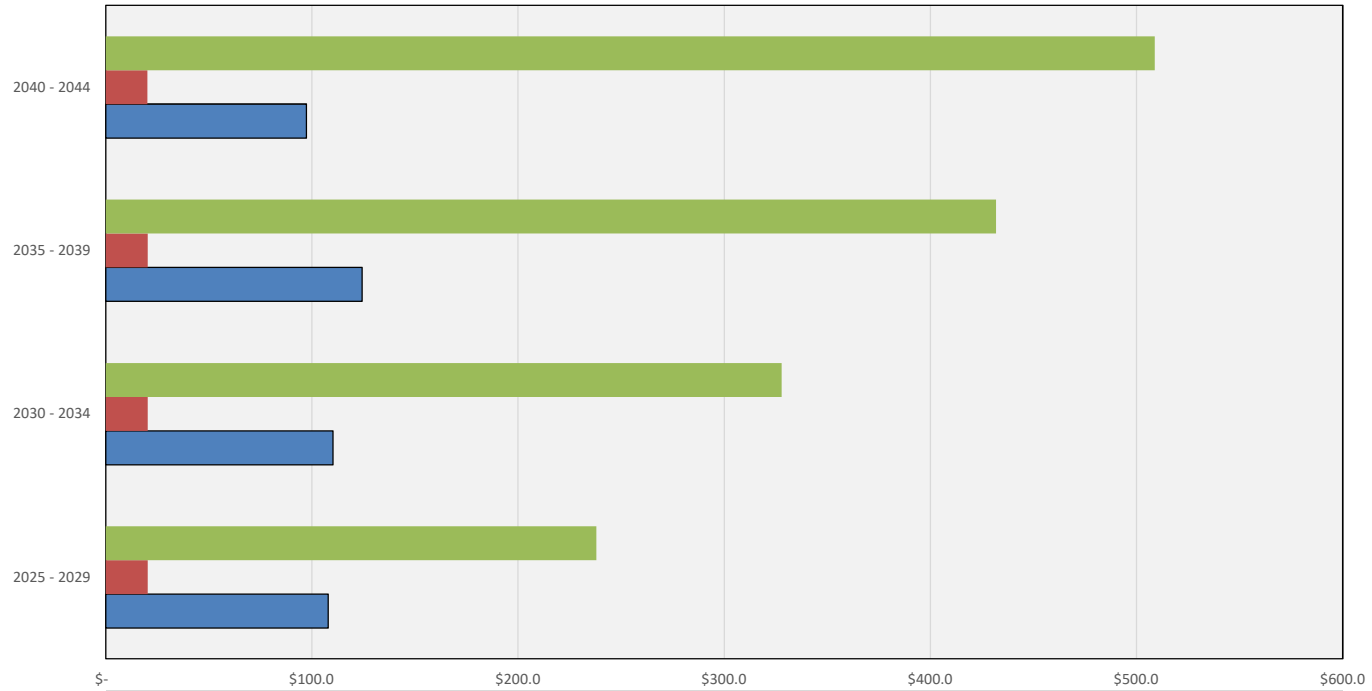
² Refer to IUP, Section VI, Financial Data, Clean Water Act Sec. 603 (d) (1) (a) paragraph 4.

Table 1A
New Mexico CWSRF Cash Flow Projection (in \$ millions)
Five Year Chart Projected as of 2020



	2020	2021	2022	2023	2024
Ending Annual Cash Balance	\$155.4	\$152.4	\$148.9	\$148.8	\$150.5
Annual Uses of Cash	\$20.6	\$20.0	\$21.0	\$20.4	\$20.4
Annual Sources of Cash	\$20.7	\$17.0	\$17.5	\$20.3	\$21.5

Table 1B
New Mexico CWSRF Cash Flow Projection (in \$ millions)
Twenty Year Chart 2025-2044



	2025 - 2029	2030 - 2034	2035 - 2039	2040 - 2044
Ending Annual Cash Balance	\$238.0	\$327.9	\$431.8	\$508.9
Annual Uses of Cash	\$20.3	\$20.3	\$20.3	\$20.2
Annual Sources of Cash	\$107.8	\$110.2	\$124.3	\$97.3

TABLE 2

NEW MEXICO ENVIRONMENT DEPARTMENT CLEAN WATER STATE REVOLVING FUND PROJECTS PRIORITY LIST FY2020*								
Points	APPLICANT	NPDES#	DP#	PROJECT DESCRIPTION	TOTAL PROJECT AMOUNT	Green Amount	Green Category	
330	City of Tucumcari	NM0020711	DP-1700	Expansion of effluent reuse system	\$5,500,000	TBD	Water Efficiency	
280	City of Bloomfield	NM0020770	DP-517	Wastewater treatment plant upgrades	\$11,000,000	TBD	Water Efficiency	
265	Albuquerque Bernalillo County Water Authority	NM0022250	DP-1308	Carnuel collection system installation, Phase 1	\$5,600,000			
225	Village of Ft. Sumner	NM0023477		Wastewater treatment plant improvements	\$2,300,000	TBD	Energy Efficiency	
220	City of Eunice	NM0021513	DP-1612	Wastewater treatment plant improvements	\$7,500,000	TBD	Water Efficiency	
205	Town of Elida			Wastewater collection and treatment	\$4,500,000	TBD	Water Efficiency	
150	City of Truth or Consequences	NM0020681	DP-1162	Rehabilitation of vacuum sanitary sewer system	\$473,000	TBD	Energy Efficiency	
145	SSCAFCA Vendada Channel	NMR04001		Stormwater channel stabilization	\$4,000,000	TBD	Green Infrastructure	
135	SSCAFCA Lateral Erosion Envelope	NMR04001		Property acquisition for stormwater management and surface water protection	\$1,000,000	TBD	Green Infrastructure	
125	City of Farmington			Stormwater management/green infrastructure	\$1,500,000	TBD	Green Infrastructure	
110	City of Roswell	NM0020311	DP-281	Solids handling including screw presses and building	\$5,500,000			
90	Sands Development LLC		DP-1863	Wastewater collection system for East Carlsbad area	\$750,000			
90	Quemado Mutual Water and Sewage Works Association		DP-1380	Wastewater treatment plant improvements and collection system upgrades	\$3,000,000			
55	Homewise Inc.			Pass through funding for septic replacement or sewer connection	\$500,000			
50	Clines Corners Travel Center			Replace underground petroleum storage tanks	\$100,000			
35	Brewer Oil Com.			Replace underground petroleum storage tanks	\$1,200,000			
35	Mahmood's Enterprises LLC			Replace underground petroleum storage tanks	\$150,000			
30	Ross Oil			Replace underground petroleum storage tanks	\$400,000			
30	Mayflower Enterprises			Removal of petroleum storage tanks	\$35,000			

Placement on this Priority List does not constitute either a guarantee of a loan offer or a decision that all of the estimated project costs will be deemed eligible for funding under the Federal Clean Water Act or New Mexico Wastewater Facility Construction Loan Act.

TABLE 3

NEW MEXICO ENVIRONMENT DEPARTMENT
 CLEAN WATER STATE REVOLVING FUND (CWSRF)
 STATE FISCAL YEAR 2020

Projected Disbursements from Cap Grants, State Matches and 2nd Tier Funding

	Bal. as of 07/01/2019	SFY 2020 (07/01/2019 - 06/30/2020)				Total Disbursed for FY20	Remaining Balance
		1st Qtr	2nd Qtr	3rd Qtr	4th Qtr		
		Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun		
LAWS 2019 and previous years ¹	\$1,555,800	\$1,555,800	\$0	\$0	\$0	\$1,555,800	\$0
FFY 2019 Allotment (not awarded as of the date of this table, however the funds are projected to be deposited via ACH by FFY 2019 4th Qtr. (Jul - Sept 2019).	\$7,779,000	\$1,843,084	\$5,135,056	\$800,860	\$0	\$7,779,000	\$0
2nd Tier Funding	\$154,888,667	\$780,910	\$0	\$3,772,002	\$6,137,433	\$10,690,345	\$144,198,322
Total	\$164,223,467	\$4,179,793	\$5,135,056	\$4,572,862	\$6,137,433	\$20,025,145	\$144,198,322

¹State Match \$1,555,800; \$1,500,000 from the Legislature and the remaining from previous years

SFY 2020 Quarterly Disbursement Projections			
		\$20,025,144.59	Expected expenditures by Quarter
Qtr 1	Jul-Sep	20.87%	\$4,179,793
Qtr 2	Oct-Dec	25.64%	\$5,135,056
Qtr 3	Jan-Mar	22.84%	\$4,572,862
Qtr 4	Apr-Jun	30.65%	\$6,137,433
Total Disbursement Projection:			\$20,025,145

Capitalization Grant Outlays for 2019 Allotment				
	Monthly Amounts Per FFY Quarters			Total Quarterly Amounts
FFY 2019 4th quarter (Jul-Sept)	\$0.00	\$613,746.84	\$1,229,336.77	\$1,843,083.61
FFY 2020 1st quarter (Oct-Dec)	\$1,711,685.31	\$1,711,685.31	\$1,711,685.31	\$5,135,055.92
FFY 2020 2nd quarter (Jan-Mar)	\$266,953.49	\$266,953.49	\$266,953.49	\$800,860.47
FFY 2020 3rd quarter (April-June)	\$0.00	\$0.00	\$0.00	\$0.00
FFY 2020 4th quarter (Jul-Sept)	\$0.00	\$0.00	\$0.00	\$0.00
Total Disbursement Projection:				\$7,779,000.00

TABLE 4

**NEW MEXICO ENVIRONMENT DEPARTMENT
CLEAN WATER STATE REVOLVING FUND (CWSRF)
STATE FISCAL YEAR 2020**

Projected Loan Repayments

Borrower Project Number	2020 Principal	Interest	
1438036	\$228,804.56	\$18,860.85	
1438037	\$174,138.55	\$15,164.89	
1438041	\$3,321.72	\$169.44	
1438042	\$482,847.39	\$82,885.28	
1438047	\$237,805.58	\$40,735.49	
1438048	\$285,966.26	\$54,438.65	
1438049R	\$92,068.31	\$9,218.82	
1438143R	\$348,538.61	\$135,386.40	
1438146	\$152,590.13	\$35,076.49	
195005/1438145	\$166,401.63	\$16,661.83	
ARRA CWSRF 02L	\$4,822.16	\$1,011.78	
ARRA CWSRF 05L	\$9,153.13	\$3,665.85	
ARRA CWSRF 06L	\$22,500.89	\$4,721.11	
ARRA CWSRF 07L	\$2,500.00	\$0.00	
ARRA CWSRF 08L	\$18,089.20	\$0.00	
ARRA CWSRF 09L	\$11,069.89	\$4,028.78	
ARRA CWSRF 10L	\$2,494.54	\$0.00	
ARRA CWSRF 12L	\$4,418.65	\$1,014.78	
ARRA CWSRF 13L	\$25,000.00	\$0.00	
ARRA CWSRF 14L	\$3,753.75	\$0.00	
ARRA CWSRF 15L	\$60,000.00	\$0.00	
ARRA CWSRF 16L	\$5,000.00	\$0.00	
ARRA CWSRF 17L	\$5,125.29	\$0.00	
CWSRF 001	\$1,515,081.05	\$317,892.39	
CWSRF 002	\$447,223.80	\$68,246.98	
CWSRF 003	\$307,959.54	\$52,752.68	
CWSRF 004	\$357,329.10	\$0.00	
CWSRF 005R	\$36,303.23	\$0.00	
CWSRF 006L	\$15,531.55	\$7,407.78	
CWSRF 007	\$824,175.95	\$78,427.08	
CWSRF 009R	\$258,422.35	\$20,118.79	
CWSRF 010	\$815,006.11	\$291,216.11	
CWSRF 013L	\$20,392.00	\$644.41	
CWSRF 014LR	\$20,620.05	\$2,498.18	
CWSRF 016L	\$17,800.00	\$0.00	
CWSRF 018 L	\$49,352.68	\$29,633.31	
CWSRF 019 L	\$5,855.65	\$2,792.86	
CWSRF 020 L	\$32,922.56	\$11,028.21	
CWSRF 021R	\$93,841.60	\$28,927.06	
CWSRF 022 L	\$47,500.00	\$0.00	
CWSRF 023 L	\$1,329,000.00	\$0.00	
CWSRF 025R	\$20,873.29	\$0.00	
CWSRF 026R	\$54,711.08	\$8,605.59	
CWSRF 028	\$29,780.93	\$4,684.24	
CWSRF 052	\$69,160.12	\$3,379.92	
CWSRF 061	\$20,235.00	\$0.00	
	\$8,735,487.88	\$1,351,296.03	\$10,086,783.91

**TABLE 5
Federal Awards and State Match Through SFY 2019**

FFY Grant	Award Number	Federal Cap Grant	20% State Match	State Appropriation Year	Actual State Appropriations	Revenue Type	Over/Short	Cumulative Over/Short
1986		0.00	0.00	1986	2,000,000.00	STB	2,000,000.00	2,000,000.00
1987		0.00	0.00	1987	1,125,000.00	STB	1,125,000.00	3,125,000.00
1988	CS-350001-88-4	5,000,000.00	1,000,000.00	1988	2,800,300.00	GF	1,800,300.00	4,925,300.00
1989	CS-350001-89-4	9,368,163.00	1,873,632.60	N/A	0.00	N/A	-1,873,632.60	3,051,667.40
1990	CS-350001-90-2	6,345,400.00	1,269,080.00	1990	1,600,000.00	STB	330,920.00	3,382,587.40
1991	CS-350001-91-2	10,075,032.00	2,015,006.40	1991	1,000,000.00	STB	-1,015,006.40	2,367,581.00
1992	CS-350001-92-1	9,534,900.00	1,906,980.00	N/A	0.00	N/A	-1,906,980.00	460,601.00
1993	CS-350001-93-1	9,431,000.00	1,886,200.00	1993	2,000,000.00	STB	113,800.00	574,401.00
1994	CS-350001-94-3	5,813,800.00	1,162,760.00	1994	2,000,000.00	STB	837,240.00	1,411,641.00
1995	CS-350001-95-2	6,007,800.00	1,201,560.00	1995	1,979,710.00	NMFA	778,150.00	2,189,791.00
1996	CS-350001-96-5	9,904,653.00	1,980,930.60	1996	1,712,205.00	NMFA	-268,725.60	1,921,065.40
1997	CS-350001-97-2	2,990,500.00	598,100.00	N/A	0.00	N/A	-598,100.00	1,322,965.40
1998	CS-350001-98-1	6,577,300.00	1,315,460.00	1998	1,500,000.00	STB	184,540.00	1,507,505.40
1999	CS-350001-99-1	6,577,900.00	1,315,580.00	1999	1,320,000.00	STB	4,420.00	1,511,925.40
2000	CS-350001-00-0	6,555,200.00	1,311,040.00	N/A	0.00	N/A	-1,311,040.00	200,885.40
2002	CS-350002-02-0	6,496,100.00	1,299,220.00	2002	2,000,000.00	CP	700,780.00	901,665.40
2003	CS-350002-03-1	6,510,800.00	1,302,160.00	2003	3,000,000.00	CP	1,697,840.00	2,599,505.40
2004	CS-350002-04-0	6,467,800.00	1,293,560.00	2004	1,500,000.00	STB	206,440.00	2,805,945.40
2005	CS-350002-05-0	6,835,400.00	1,367,080.00	2005	1,500,000.00	GF	132,920.00	2,938,865.40
2006	CS-350002-06-0	5,243,500.00	1,048,700.00	2006	1,500,000.00	GF	451,300.00	3,390,165.40
2007	CS-350002-07-0	4,242,300.00	848,460.00	2007	1,500,000.00	GF	651,540.00	4,041,705.40
2008	CS-350002-08-0	5,207,300.00	1,041,460.00	2008	1,500,000.00	GF	458,540.00	4,500,245.40
2009	CS-350002-09-0	3,274,300.00	654,860.00	2009	660,000.00	STB	5,140.00	4,505,385.40
ARRA	2W-966892-02-0	23,789,100.00	0.00	2009	0.00	N/A	0.00	4,505,385.40
2010	CS-350002-10-0	3,274,300.00	654,860.00	N/A	0.00	N/A	-654,860.00	3,850,525.40
2011	CS-350002-11-0	10,002,000.00	2,000,400.00	N/A	0.00	N/A	-2,000,400.00	1,850,125.40
2012	CS-350002-12-1	14,130,000.00	2,826,000.00	2012	2,844,400.00	PPRF	18,400.00	1,868,525.40
2013	CS-350002-13-0	6,520,000.00	1,304,000.00	2013	1,400,000.00	PPRF	96,000.00	1,964,525.40
2014	CS-350002-14-0	6,853,000.00	1,370,600.00	2014	1,300,000.00	PPRF	-70,600.00	1,893,925.40
2015	CS-350002-15-0	6,817,000.00	1,363,400.00	2015	1,300,000.00	PPRF	-63,400.00	1,830,525.40
2016	CS-350002-16-0	6,525,000.00	1,305,000.00	2016	1,400,000.00	PPRF	95,000.00	1,925,525.40
2017	CS-350002-17-0	6,474,000.00	1,294,800.00	2017	1,300,000.00	PPRF	5,200.00	1,930,725.40
2018	CS-350002-18-0	7,859,000.00	1,571,800.00	2018	1,100,000.00	PPRF	-471,800.00	1,458,925.40
2019		0.00	0.00	2019	1,500,000.00	PPRF	1,500,000.00	2,958,925.40
Totals		230,702,548.00	41,382,689.60		44,341,615.00		2,958,925.40	
				Overmatch			2,958,925.40	
				Total State and Federal			275,044,163.00	

TABLE 6

NEW MEXICO ENVIRONMENT DEPARTMENT
 CLEAN WATER STATE REVOLVING FUND
 SUBSIDY ELIGIBLE PROJECTS THAT SUPPORT SUSTAINABILITY CRITERIA

STATE FISCAL YEAR 2020

LIST OF SUBSIDY ELIGIBLE PROJECTS THAT SUPPORT THE FOLLOWING SUSTAINABILITY CRITERIA:

- A. Projects that focus on system upgrade & replacement in existing communities specifically.
- B. Projects that involve investigations, studies or plans that improve technical, managerial, and financial capacity of the assistance recipient to operate, maintain, and replace financed infrastructure.
- C. Projects that focus on preliminary planning, alternatives assessment, and eligible capital projects that reflect the full life cycle cost of infrastructure assets, conserve natural resources, or use alternative approaches to integrating natural or 'green' systems into the built environment.

NEW MEXICO ENVIRONMENT DEPARTMENT
 CLEAN WATER STATE REVOLVING FUND
 SUBSIDY PROJECTS THAT SUPPORT SUSTAINABILITY CRITERIA
 STATE FISCAL YEAR 2020

POINTS	APPLICANT	NPDES #	DP #	PROJECT DESCRIPTION	TOTAL PROJECT AMOUNT	NEEDS CATEGORY	GREEN CATEGORY	ELIGIBLE FOR SUBSIDY	SUSTAINABILITY CRITERIA
330	City of Tucumcari	NM0020711	DP-1700	Expansion of effluent reuse system	\$5,500,000	Secondary Treatment	Water Efficiency	Yes	A
280	City of Bloomfield	NM0020770	DP-517	Wastewater treatment plant upgrades	\$11,000,000	Secondary Treatment	Water Efficiency	Yes	A
225	Village of Ft. Sumner	NM0023477		Wastewater treatment plant improvements	\$2,300,000	Secondary Treatment	Energy Efficiency	Yes	A
220	City of Eunice	NM0021513	DP-1612	Wastewater treatment plant improvements	\$7,500,000	Secondary Treatment	Water Efficiency	Yes	A
205	Town of Elida			Wastewater collection and treatment	\$4,500,000	Secondary Treatment	Water Efficiency	Yes	A
150	City of Truth or Consequences	NM0020681	DP-1162	Rehabilitation of vacuum sanitary sewer system	\$473,000	Sewer System Rehabilitation	Energy Efficiency	Yes	A
90	Quemado Mutual Water and Sewage Works Association		DP-1380	Wastewater treatment plant improvements and collection system upgrades	\$3,000,000	Infiltration/Inflow; Sewer Replacement/Rehab		Yes	A